

which the banks were authorized to issue against deposits of coin and bullion. This privilege was accorded to all the Irish banks of issue,—instead of but one, as in the case of England,—and they were thus put upon an equal footing with no apparent purpose of concentrating issues finally in a single institution. The Irish banks are required, however, to keep the coin held against additional circulation wholly at their head offices, while all their notes are required to be redeemed on demand at the place or places where issued. These requirements compel them to keep a supply of coin at every branch, in order to redeem notes issued from that branch, and it is the practice for a bank to redeem any of its notes at any of its branches where they may be presented. The fact that the privilege of additional issues has been availed of to only a limited extent, while the coin holdings of the banks have been large, would seem to indicate that the fixed limit of authorized issues has not operated greatly to restrain the business development of Ireland. One reason for this is doubtless found in the fact that the population and the volume of business were so greatly decreased in the famine years, while the authorized circulation remained untouched. The limit has proved in practice so generous that Ireland has enjoyed a currency fluctuating with the seasons and with the varying demand for money, in much the same manner as an untrammelled banking currency.

The circulation was nearly ,£1,000,000 above the limit in 1846, standing at,£7,266,000, but declined as low as £4,310-000 in 1849. The average returned in 1854 to ,£6,296,000 and increased pretty steadily until 1860, when it stood at £6,840,000. A decline then set in, which reached its lowest ebb in 1863 at . £5,405,000. Another period of increase carried the average circulation for 1872 as high as £7,674,000, after w<sup>h</sup>ich it fell to £6,065,000 in 1879, rose to £7,297,000 in 1882 and fell to ; £5,885,000 in 1887,—the lowest average for twenty years. The authorized circulation of each bank, with the circulation and specie holdings for the four weeks ending July 25, 1908, is shown in the following table: